

**TOWN OF NEW CASTLE, COLORADO**

**BASIC FINANCIAL STATEMENTS**

**December 31, 2019**

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## **FINANCIAL SECTION**



## JOHN CUTLER & ASSOCIATES

Honorable Mayor and Members of the Town Council  
Town of New Castle  
New Castle, Colorado

### INDEPENDENT AUDITORS' REPORT

#### Report on the Financial Statements

We have audited the of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of New Castle, Colorado, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of New Castle, Colorado, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

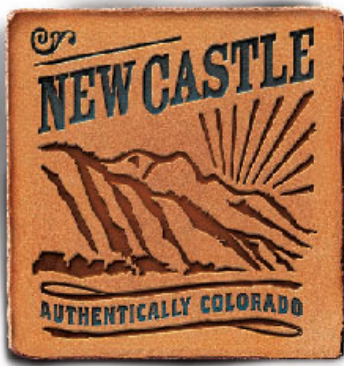
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary information on page 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund schedules and Local Highway Finance Report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and compliance are fairly stated in all material respects in relation to the financial statements as a whole.

*John Cutler & Associates, LLC*

July 1, 2020



**Town of New Castle, Colorado**  
**Management's Discussion and Analysis**  
Fiscal Year Ending December 31, 2019

This Management's Discussion and Analysis (MD&A) of the Town of New Castle's 2019 financial statements is offered to provide an objective and easy-to-read analysis of the government's financial activities based on currently known facts, decisions and conditions. The MD&A should be read in conjunction with the Town's basic financial statements.

The Town of New Castle is a Home Rule Municipality incorporated in 1888. The Town has seven elected officials who are responsible for all policy decisions that affect the government's financial condition. The appointed Town Administrator is responsible for preparing the annual budget which is adopted by the Council every December. The Town Administrator and appointed Town Finance Director/Treasurer are responsible for financial reporting to the Town Council and to the public at large. The Town maintains four separate funds, which are as follows:

- A) General Fund
- B) Utility Fund
- C) Conservation Trust Fund
- D) Cemetery Fund

### **Overview of the Financial Statements**

The financial section of the audit report is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements.

### **Government-wide Financial Statements:**

The government-wide financial statements, which consist of the Statement of Net Position and the Statement of Activities, give readers a broad overview of the entire Town's financial position and changes in financial position in a manner similar to a private-sector business. These statements report information about the Town as a whole and include all assets and liabilities using the accrual basis of accounting, which reports all of the current year's revenues and expenses regardless of when the cash is received or paid.

The *statement of net position* (page 1) presents the Town of New Castle's assets and liabilities, with the difference between the two reported as net position. The net position is summarized as follows: 1) invested in capital assets, 2) unreserved or available for any current use. Over a period of time increases or decreases in the Town's net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Other non-financial factors, however, such as changes in the Town's property tax base, are needed to assess the overall financial condition of the Town.

The *statement of activities* (page 2) presents data showing how the Town's net position changed as a result of the operations of the Town government during the most recent fiscal year. All changes in net position are reported when an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (accrual basis of accounting). Thus, some revenues and expenses reported in this statement will result in cash flows in future periods.

The government-wide financial statements distinguish the different functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from the other functions that are intended to recover all or a significant portion of their costs through user fees or charges for services (*Business Type Activities*). The Governmental Activities of the Town of New Castle include general government, public safety, public works, health and welfare, and parks and recreation. The Business Type Activities include water, wastewater, and trash utilities.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town's funds can be divided into three categories: Governmental Fund, Proprietary Fund and Fiduciary Fund.

**Governmental Funds** (pages 3 - 4) - The activity of the Town's General and Special Revenue funds are reported as governmental funds, which are essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the short-term flow of money into and out of these funds. These statements use the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed view of the Town's general governmental and special revenue operations and the services that are provided. Governmental fund statements help to determine the financial resources that are available to finance the Town's operations and programs in the near future.

**Proprietary (Business Like) Fund** (pages 6 -8) - The Town of New Castle maintains one proprietary (enterprise) fund, which reports the same functions as the business-type activities in the government-wide financial statements. The Town uses the proprietary fund to account for the water, wastewater and trash operations (**utilities**) that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs, including depreciation, of providing goods or services to the public be financed or recovered primarily through user fees or charges.

**Fiduciary (Trust) Fund** - A fiduciary fund is a fund that is held in trust for a specific purpose. The Town of New Castle maintains one fiduciary fund which reports the operating activities of the Highland Cemetery. The fiduciary fund is not included in the statement of net position or statement of activities, but is included in the Required Supplemental Information, Budgeted and Actual Revenues and Expenditures.

### **Notes to the Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements are on pages 9 – 25 of this report.



## **Financial Highlights**

### **Governmental Activities**

- As of December 31, 2019 the governmental funds held \$ 2,845,912 in assets that were readily convertible to cash and \$105,034 in current liabilities.
- As of December 31, 2019 the Town's governmental activities fund held \$26,664,050 in depreciated capital assets, a 7.09% decrease; and \$471,393 in capital asset liabilities, a 22.49% decrease.
- Total 2019 sales tax revenue increased 14.43% or \$222,367 compared to fiscal year 2018. The 3.5% Town sales tax revenue increased 14.23% or \$197,582 compared to 2018.
- 2019 property tax revenue decreased by \$3,270 or 0.72% compared to fiscal year 2018.
- 2019 building permit revenue decreased by 0.54% or \$325 compared to fiscal year 2018. 2019 use tax revenue decreased by 11.58% or \$3,614 compared to fiscal year 2018.
- 2019 lodging tax revenue increased by 6.89% or \$1,182 compared to fiscal year 2018.
- 2019 mineral lease tax revenue increased by 66.47% or \$72,973 compared to fiscal year 2018 and severance tax revenue increased by 115.35% or \$51,285.
- 2019 governmental activities salary expense decreased by 1.86% or \$24,141 compared to fiscal year 2018.
- Total governmental activities net position increased by 0.07% or \$20,604 during the 2019 fiscal year.

### **Business-type Activities**

- As of December 31, 2019 total assets were \$19,845,386, a decrease of 1.68% or \$339,656. Cash, investments and receivables increased by \$294,735 and capital assets decreased by \$634,391.
- 2019 revenue from the water, wastewater and trash charges for services increased by \$329,531 or 13.77% compared to fiscal year 2018.
- 2019 business-type activities salary expense increased by 0.43% or \$3,149 compared to fiscal year 2018.
- 2019 business-type activities electric and natural gas utility expense of \$166,841 was a decrease of 0.22% or \$364 compared to fiscal year 2018.

**Business-type Activities (Continued)**

- Total enterprise liabilities decreased by \$377,488 during 2019 due to decreases in long term debt.

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position compared to the prior fiscal year.

|                            | Governmental Activities |               | Business-type Activities |               | Total Government |               |
|----------------------------|-------------------------|---------------|--------------------------|---------------|------------------|---------------|
|                            | 2019                    | 2018          | 2019                     | 2018          | 2019             | 2018          |
| Current and other assets   | \$ 2,874,187            | \$ 1,982,107  | \$ 1,581,291             | \$ 1,286,556  | \$ 4,455,478     | \$ 3,268,663  |
| Capital assets             | 26,664,050              | 27,663,216    | 18,264,095               | 18,898,486    | 44,928,145       | 46,561,702    |
| Total assets               | 29,538,237              | 29,645,323    | 19,845,386               | 20,185,042    | 49,383,623       | 49,830,365    |
| Long-term debt outstanding | 459,565                 | 536,798       | 4,724,116                | 5,115,260     | 5,183,681        | 5,652,058     |
| Other liabilities          | 698,032                 | 748,489       | 584,474                  | 570,818       | 1,282,506        | 1,319,307     |
| Total liabilities          | 1,285,287               | 1,285,287     | 5,308,590                | 5,686,078     | 6,593,877        | 6,971,365     |
| <b>Net Position:</b>       |                         |               |                          |               |                  |               |
| Net Investment in          |                         |               |                          |               |                  |               |
| Capital assets             | 26,165,125              | 27,039,849    | 13,194,584               | 13,431,925    | 39,359,709       | 40,471,774    |
| Restricted                 | 237,325                 | 231,309       | -                        | -             | 237,325          | 231,309       |
| Unrestricted               | 1,978,190               | 1,088,878     | 1,342,212                | 1,067,039     | 3,320,402        | 2,155,917     |
| Total net position         | \$ 28,380,640           | \$ 28,360,036 | \$ 14,536,796            | \$ 14,498,964 | \$ 42,917,436    | \$ 42,859,000 |

The Town’s total net position for fiscal year 2019 increased by 0.14% or \$58,436. The Town’s assets exceed liabilities by \$42,789,746 (net position) as of December 31, 2019. By far the largest portion of net position (91.71%) is invested in capital assets (e.g. land, buildings, equipment, etc.). The Town uses these capital assets to provide services to citizens; therefore these assets are not available for future spending. Although the Town of New Castle’s investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to retire these liabilities.

The restricted portion of net position (0.55%) represents resources that are subject to various debt provisions, contracts and agreements on how they may be used. The remaining balance of \$3,320,402 is unrestricted and can be used to meet the Town’s ongoing obligations to its citizens and creditors.

**Normal Impacts**

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation:

**Net Results of Activities** – will impact (increase/decrease) current assets and unrestricted net position.

**Borrowing for Capital** – will increase current assets and long-term debt.

**Spending Borrowed Proceeds on New Capital** – will reduce current assets and increase capital assets. A second impact results in an increase in capital assets and an increase in related net debt which will not change the net investment in capital assets.

**Spending of Non-borrowed Current Assets on New Capital** – will (1) reduce current assets and increase capital assets and (2) will reduce restricted and or unrestricted net position and increase net investment in capital assets.

**Principal Payment on Debt** – will (1) reduce current assets and reduce long-term debt and (2) reduce unrestricted net position and increase net investment in capital assets.

**Reduction of Capital Assets Through Depreciation** – will reduce capital assets and net investment in capital assets.

### **Summary of GASB Statement 54**

The Governmental Accounting Standards Board (GASB) approved statement 54 in 2009, the intent of the statement is to enhance governmental fund balance reporting in order for financial statements to be more consistent and comparable between similar government entities, improve the usefulness of fund balance reporting (what funds are actually available), and clarify the meaning of governmental fund type definitions. The Town of New Castle implemented statement 54 for fiscal year 2011 as required and will no longer use the fund balance definitions of: reserves, designated or undesignated.

We present the following summary of new fund balance terminology:

- (a) **Nonspendable** – not in spendable form, examples are inventory, long-term receivables (unless the proceeds are restricted, committed or assigned), prepaid expenses, and legally or contractually required amounts required to be maintained intact – like the corpus of a permanent fund.
- (b) **Restricted** – Amounts constrained to being used for a specific purpose by (1) external parties (state, federal, private donor, creditors), (2) constitutional provisions, (3) enabling legislation (grant from the state), (4) what is legally reserved now.
- (c) **Committed** – constraint on use imposed by the Town itself, using its highest level of decision-making authority (resolution or ordinance), constraint can be removed or changed only by taking the same action, the action to constrain resources should occur prior to the end of the fiscal year – though the exact amount may be determined subsequently.
- (d) **Assigned** – amounts intended to be used for specific purposes where the intent is expressed by the governing body or a body or official authorized by the governing body. Includes using fund balance to balance the budget – appropriation for deficit.
- (e) **Unassigned** – available for any purpose.

## Statement of Activities

The Statement of Activities takes into consideration the Town as a whole and reflects the change in net position for fiscal year 2019.

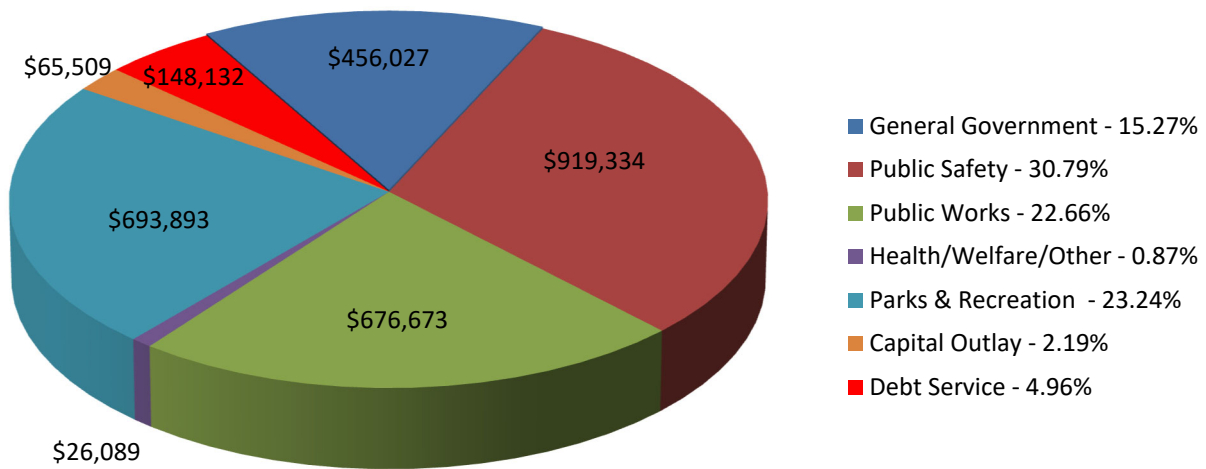
|                         | Governmental |              | Business Type |              | Totals      |              |
|-------------------------|--------------|--------------|---------------|--------------|-------------|--------------|
|                         | 2019         | 2018         | 2019          | 2018         | 2019        | 2018         |
| <u>Revenues:</u>        |              |              |               |              |             |              |
| Program Revenues:       |              |              |               |              |             |              |
| Charges for Services    | \$ 345,026   | \$ 258,266   | \$2,721,852   | \$2,392,321  | \$3,066,878 | \$2,650,587  |
| Capital Grants          | 419,992      | 765,905      | 236,588       | 241,621      | 656,580     | 1,007,526    |
| Total Program Revenues  | 765,018      | 1,024,171    | 2,958,440     | 2,633,942    | 3,723,458   | 3,658,113    |
| General Revenues        |              |              |               |              |             |              |
| Sales and Use Taxes     | 1,763,378    | 1,541,011    | -             | -            | 1,763,378   | 1,541,011    |
| Property Taxes          | 451,592      | 454,862      | -             | -            | 451,592     | 454,862      |
| Franchise Taxes         | 126,969      | 124,964      | -             | -            | 126,969     | 124,964      |
| Other Taxes             | 352,310      | 238,849      | -             | -            | 352,310     | 238,849      |
| Investment Income       | 29,363       | 23,255       | -             | 189          | 29,363      | 23,444       |
| Developer Reimbursement | 57,014       | 15,375       | -             | -            | 57,014      | 15,375       |
| Other Revenues          | 246,640      | 109,342      | 25,807        | (180,457)    | 272,447     | (71,115)     |
| Total General Revenues  | 3,027,266    | 2,507,658    | 25,807        | (180,268)    | 3,053,073   | 2,327,390    |
| Total Revenue           | 3,792,284    | 3,531,829    | 2,984,247     | 2,453,674    | 6,776,531   | 5,985,503    |
| <u>Expenses:</u>        |              |              |               |              |             |              |
| General Government      | 470,282      | 389,873      | -             | -            | 470,282     | 389,873      |
| Public Safety           | 996,297      | 1,017,496    | -             | -            | 996,297     | 1,017,496    |
| Public Works            | 1,458,152    | 1,373,397    | -             | -            | 1,458,152   | 1,373,397    |
| Parks & Recreation      | 796,631      | 876,892      | -             | -            | 796,631     | 876,892      |
| Health & Welfare        | 26,089       | 27,806       | -             | -            | 26,089      | 27,806       |
| Water                   | -            | -            | 1,200,413     | 1,307,173    | 1,200,413   | 1,307,173    |
| Wastewater              | -            | -            | 1,208,470     | 1,230,836    | 1,208,470   | 1,230,836    |
| Sanitation              | -            | -            | 338,768       | 312,580      | 338,768     | 312,580      |
| Interest                | 24,229       | 32,756       | 198,764       | 208,747      | 222,993     | 241,503      |
| Total Expenses          | 3,771,680    | 3,718,220    | 2,946,415     | 3,059,336    | 6,718,095   | 6,777,556    |
| Change in Net Position  | \$ 20,604    | \$ (186,391) | \$ 37,832     | \$ (605,662) | \$ 58,436   | \$ (792,053) |

**Governmental Activities**

Taxes comprise the largest source of operating revenue for the Town’s governmental activities. 2019 tax source revenue was \$2,395,780, which is 63.18% of total revenues from governmental activities. Property taxes of \$451,592 represent 18.85% of total tax revenue. Charges for services equaled \$670,735 representing 17.69% of total revenues.

The cost of governmental activities (excluding capital outlay) in 2019 was \$2,920,148 compared to \$3,005,182 in 2018, a 2.83% decrease.

**Expenses by Type – Governmental Activities**



General Government includes Town Council, Town Administrator, Town Clerk, Finance, General Administration, Planning and Building.

Year to year changes by type of activity:

| <u>Activity</u>      | <b>Expenditures</b> |             |                 |
|----------------------|---------------------|-------------|-----------------|
|                      | <b>2019</b>         | <b>2018</b> | <b>% Change</b> |
| General Government   | \$ 456,027          | \$ 404,727  | 12.67           |
| Public Safety        | 919,334             | 947,814     | (3.01)          |
| Public Works         | 676,673             | 642,671     | 5.29            |
| Health/Welfare/Other | 26,089              | 27,806      | (6.17)          |
| Parks & Recreation   | 693,893             | 800,152     | (13.28)         |
| Capital Outlay       | 65,509              | 547,315     | (88.03)         |
| Debt Service         | 148,132             | 182,412     | (18.79)         |

## **Business-type Activities**

Total 2019 operating revenue from the Town's business-type activities increased by \$338,811 compared to 2018; operating expenses for 2019 decreased by \$102,938 compared to 2018.

Total business type net position during 2019 increased by \$37,832, mainly due to an adjustment of utility rates and addition of capital assets.

## **Fund Balance**

At the end of 2019, the Town's governmental funds reported a combined fund balance of \$2,288,264 (pg. 4). This is an increase of \$894,071 compared to the prior years ending balance. Of this total balance \$1,533,321 is unassigned and available to finance the Town's future operations and programs; \$28,275 is prepaid non-spendable funds; \$184,000 is restricted for emergencies, \$83,097 is restricted for Conservation Trust Fund approved expenses, \$53,325 is restricted for cemetery care; \$8,250 is committed for use in operating a volunteer ambulance service *or* to maintain and enhance the municipal parks and trees (Ord. #315), \$1,976 is committed for Police training (Ord. #383 & 2007-4), \$5,494 is committed for Burning Mtn. Ave street maintenance (9/1995 SIA Agreement), \$328,526 is committed for traffic impacts (Ord. # 2002-17); \$52,000 is assigned for a solar system purchase, and \$10,000 is assigned for vehicle-equipment replacement.

At year end the business-type activities reported total net position of \$14,536,796, an increase of \$37,832. Of this total net position \$1,342,212 is unrestricted (pg. 6).

## **Budgetary Highlights – General Fund – (pg. 26)**

Town Council approved one supplement to the 2019 General Fund budget. The original appropriation of \$2,993,517 was increased by \$290,751 or 7.01% to \$3,284,268. The supplemental budget amount was to cover the additional expense related to trail development, park development, special events, recreation programs and street improvements. The Town received \$278,494 in Mineral Lease and Severance Tax direct distributions from the state, this is \$124,258 more than was budgeted and \$124,258 more than the 2018 distribution. The original 2019 General Fund budget reduced reserves by \$96,802, as of 12/31/19 the General Fund balance increased by \$840,941 for the year.

General Fund revenue for 2019 was \$918,205 over the original budget amount. This is mainly due to grants received, public safety training reimbursements, sales tax receipts and the sale of two Town condos. General Fund Expenditures for 2019 were \$19,538 less than the original budget projections mainly due to anticipated grant project expenditures and capital expenditures that were postponed.

## **Capital Assets and Debt Administration**

At year end the Town had \$44,928,145 invested in a broad range of capital assets including land and improvements, buildings, parks and equipment, vehicles, equipment, and water and sewer plants and distribution and collection systems. This is a decrease of \$1,633,557 or 3.51% from the 2018 year end amount.

### Capital Assets at Year-End (pg. 19-20)

|                                 | Governmental        |                     | Business-type       |                     | Total Government    |                     |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                 | 2019                | 2018                | 2019                | 2018                | 2019                | 2018                |
| Land                            | \$15,214,000        | \$15,214,000        | \$ 469,741          | \$ 469,741          | \$15,683,741        | \$15,683,741        |
| Water Rights                    | -                   | -                   | 516,282             | 516,282             | 516,282             | 516,282             |
| Buildings and Improvements      | 4,363,415           | 4,340,720           | 17,172,218          | 17,008,406          | 21,535,633          | 21,349,126          |
| Distribution/Collection Systems | -                   | -                   | 11,166,613          | 11,166,613          | 11,166,613          | 11,166,613          |
| Infrastructure                  | 17,789,420          | 17,606,505          | -                   | -                   | 17,789,420          | 17,606,505          |
| Property and Equipment          | 1,021,193           | 1,013,153           | 631,366             | 627,406             | 1,652,559           | 1,640,559           |
| Construction in Process         | 160,217             | 458,604             | -                   | 4,378               | 160,217             | 462,982             |
| Less: Accumulated Depreciation  | (11,884,195)        | (10,969,766)        | (11,692,125)        | (10,894,340)        | (23,576,320)        | (21,864,106)        |
| <b>Total Capital Assets</b>     | <b>\$26,664,050</b> | <b>\$27,663,216</b> | <b>\$18,264,095</b> | <b>\$18,898,486</b> | <b>\$44,928,145</b> | <b>\$46,561,702</b> |

During 2019 the Town installed a UV Light Disinfection System at the Wastewater Treatment Plant, completed the work on Bear Dance Park Phase II, installed an Electric Vehicle Charging Station and a crosswalk signal at the intersection of Main & 5<sup>th</sup> Streets. Significant capital assets added during 2019 are shown below.

#### Significant 2019 Capital Asset Additions

|   |                          |
|---|--------------------------|
| Bear Dance Park Phase II                                  | \$ 166,477               |
| UV Light Disinfection System                              | 163,812                  |
| LoVa Trail South Canyon to Canyon Creek Engineering (CIP) | 15,124                   |
| Electric Vehicle Charging Station                         | 14,709                   |
| Crosswalk Signal at Main & 5 <sup>th</sup> Streets        | <u>7,407</u>             |
| <b>Total</b>  | <b><u>\$ 367,529</u></b> |

#### Town of New Castle's Outstanding Debt (pg. 21-23)

|                                    | Governmental Activities  |                          | Business-type Activities   |                            | Total Government           |                            |
|------------------------------------|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                    | 2019                     | 2018                     | 2019                       | 2018                       | 2019                       | 2018                       |
| 1999 Wastewater Loan               | \$ -                     | \$ -                     | \$ -                       | \$ 17,703                  | \$ -                       | \$ 17,703                  |
| 2004 Water Loan                    | -                        | -                        | 487,608                    | 508,146                    | 487,608                    | 508,146                    |
| 2008 Wastewater Loan               | -                        | -                        | 4,581,904                  | 4,940,712                  | 4,581,904                  | 4,940,712                  |
| Notes Payable                      | 428,393                  | 470,039                  | -                          | -                          | 428,393                    | 470,039                    |
| Capital Leases                     | -                        | 14,168                   | -                          | -                          | -                          | 14,168                     |
| GO Bonds, Series 2010              | 43,000                   | 124,000                  | -                          | -                          | 43,000                     | 124,000                    |
| Accrued Absences                   | 99,784                   | 87,412                   | -                          | -                          | 99,784                     | 87,412                     |
| <b>Total Long-term Obligations</b> | <b><u>\$ 571,177</u></b> | <b><u>\$ 695,619</u></b> | <b><u>\$ 5,069,512</u></b> | <b><u>\$ 5,466,561</u></b> | <b><u>\$ 5,640,689</u></b> | <b><u>\$ 6,162,180</u></b> |

## **Economic and Other Factors**

The Town of New Castle's financial position continues to show movement in a positive direction. With direction from Town Council to correct for deficit spending along with a renewed directive toward a balanced budget in the General Fund, as well as the Utility Fund, the Town has taken steps to limit spending while exploring avenues of increased revenues. Corrective steps were taken in early 2019 to bring the Utility Fund into balance and allow for the building of reserve funds which will help provide for future capital projects, equipment updates and maintenance and repairs for critical Town facilities. Council is considering revenue generating opportunities for the future. Work is underway on a Bulk Water Sales Terminal which is expected to be online in the fall of 2020 and is designed to work as a revenue generating tool for the Town. Plans are being completed for a Sludge Waste Treatment Project that, once completed will save the Town money on dumping fees related to wastewater sludge. Council will reenact the collection of a voter approved Tobacco Tax toward the end of 2020 or beginning of 2021. A voter approved extension of a retiring property tax will allow for the continued collection of funds that may be dedicated to Public Safety and certain other Town projects.

During the first 4 months of 2020, sales tax revenues have increased 24.72 % over the same period in 2019 despite the Coronavirus COVID-19 pandemic that shuttered business and restaurants in mid-March. Hardest hit by the mandated COVID-19 shutdowns were restaurants who were forced to stop all on-site dining. While a hand full of New Castle restaurants managed to remain open for take-out and delivery, others were forced to temporarily close their doors and layoff their employees. Gas stations, convenience stores and lodging also took a big hit from the new restrictions as travel by local residents dropped dramatically and travel by tourists came to a sudden stop. Businesses such as local grocery stores, online shopping and liquor stores saw steady business or even increased business during the beginning months of 2020. Beginning in June of 2020, restrictions related to COVID-19 began to loosen on local businesses; further loosening of restrictions and a return to business as usual may take through the end of 2020.

Housing prices in New Castle followed the national trend and continued to rise during 2019. Average home prices are approaching historic highs. While rising home prices and new property value assessments on area homes do help Town revenues, the Town budget continues to rely on property tax income for a meager 12.29% of its overall revenues. With changes in state-wide oil and gas regulations in 2019, many in the industry have predicted a continued and sharpened decrease in oil and gas related revenues in our area. The decrease in these revenues and the very slow increase in real estate tax revenues will continue to provide budget challenges moving forward.

During 2019 staffing levels remained constant. One part-time position was converted to a full-time position in the Recreation Department. All other key positions and staffing levels remained the same as of the end of 2018.

Major projects in Town included the completion of the wastewater plant Ultra Violet Disinfectant Project, planning work for the LoVa Trail and planning work for 11 miles of soft trail to the north of Town. Additional projects included the completion of renovations to the south side of the Community Center, planning work for a Police Evidence Garage Bay and planning work for the renovation of Burning Mountain Park.



## **Financial Contact**

The Town's financial statements are designed to present users (citizens, customers, investors and creditors) with a general overview of the Town's finances and to demonstrate the Town's accountability. If you have questions about this report or need additional financial information, contact the Town's Finance Department, Attn: Town Treasurer, PO Box 90, 450 West Main Street, New Castle, Colorado 81647; or telephone (970) 984-2311.

## **BASIC FINANCIAL STATEMENTS**

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2019

|   | GOVERNMENTAL<br>ACTIVITIES | BUSINESS<br>TYPE<br>ACTIVITIES | TOTALS               |                      |
|---|----------------------------|--------------------------------|----------------------|----------------------|
|   |                            |                                | 2019                 | 2018                 |
| <b>ASSETS</b>   |                            |                                |                      |                      |
| Cash and Investments  | \$ 1,927,548               | \$ 1,160,437                   | \$ 3,087,985         | \$ 2,104,188         |
| Receivables   |                            |                                |                      |                      |
| Property Taxes  | 480,889                    | -                              | 480,889              | 446,576              |
| Sales and Other   | 17,513                     | -                              | 17,513               | 15,196               |
| Accounts  | -                          | 311,094                        | 311,094              | 251,056              |
| Due from Other Governments                                      | 419,962                    | 109,760                        | 529,722              | 445,431              |
| Prepaid Expenses  | 28,275                     | -                              | 28,275               | 6,216                |
| Capital Assets, not Depreciated                                 | 15,374,217                 | 986,023                        | 16,360,240           | 16,502,206           |
| Capital Assets, Depreciated, Net of Accumulated<br>Depreciation | <u>11,289,833</u>          | <u>17,278,072</u>              | <u>28,567,905</u>    | <u>30,059,496</u>    |
| <b>TOTAL ASSETS</b>   | <u>29,538,237</u>          | <u>19,845,386</u>              | <u>49,383,623</u>    | <u>49,830,365</u>    |
| <b>LIABILITIES</b>  |                            |                                |                      |                      |
| Accounts Payable  | 53,142                     | 73,971                         | 127,113              | 132,209              |
| Accrued Expenses  | 32,776                     | 35,524                         | 68,300               | 54,874               |
| Unearned Revenues   | 15,116                     | -                              | 15,116               | 9,770                |
| Accrued Interest  | 497                        | 83,835                         | 84,332               | 85,589               |
| Developer Escrow  | 4,000                      | -                              | 4,000                | 34,418               |
| Noncurrent Liabilities  |                            |                                |                      |                      |
| Due within One Year   | 111,612                    | 391,144                        | 502,756              | 555,871              |
| Due in More Than One Year                                       | <u>459,565</u>             | <u>4,724,116</u>               | <u>5,183,681</u>     | <u>5,652,058</u>     |
| <b>TOTAL LIABILITIES</b>  | <u>676,708</u>             | <u>5,308,590</u>               | <u>5,985,298</u>     | <u>6,524,789</u>     |
| <b>DEFERRED INFLOWS</b>   |                            |                                |                      |                      |
| Deferred Property Tax Revenue                                   | <u>480,889</u>             | <u>-</u>                       | <u>480,889</u>       | <u>446,576</u>       |
| <b>NET POSITION</b>   |                            |                                |                      |                      |
| Investment in Capital Assets                                    | 26,165,125                 | 13,194,584                     | 39,359,709           | 40,471,774           |
| Restricted for Emergencies                                      | 184,000                    | -                              | 184,000              | 185,000              |
| Restricted for Cemetery Care                                    | 53,325                     | -                              | 53,325               | 46,309               |
| Unrestricted  | <u>1,978,190</u>           | <u>1,342,212</u>               | <u>3,320,402</u>     | <u>2,155,917</u>     |
| <b>TOTAL NET POSITION</b>                                       | <u>\$ 28,380,640</u>       | <u>\$ 14,536,796</u>           | <u>\$ 42,917,436</u> | <u>\$ 42,859,000</u> |

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE , COLORADO

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2019

| <u>FUNCTIONS/PROGRAMS</u>       | <u>EXPENSES</u>     | <u>PROGRAM REVENUES</u>     |   |   |
|---------------------------------|---------------------|-----------------------------|---|---|
|                                 |                     | <u>CHARGES FOR SERVICES</u> | <u>OPERATING GRANTS AND CONTRIBUTIONS</u> | <u>CAPITAL GRANTS AND CONTRIBUTIONS</u> |
| <b>PRIMARY GOVERNMENT</b>       |                     |                             |   |   |
| <b>Governmental Activities</b>  |                     |                             |   |   |
| General Government              | \$ 470,282          | \$ 136,544                  | \$ -                                      | \$ -                                    |
| Public Safety                   | 996,297             | 18,712                      | -   | -                                       |
| Public Works                    | 1,458,152           | 11,204                      | -   | 299,315                                 |
| Health and Welfare              | 26,089              | 9,200                       | -   | -                                       |
| Parks and Recreation            | 796,631             | 169,366                     | -   | 120,677                                 |
| Interest on Long-Term Debt      | 24,229              | -                           | -   | -                                       |
| Total Governmental Activities   | <u>3,771,680</u>    | <u>345,026</u>              | <u>-</u>                                  | <u>419,992</u>                          |
| <b>Business-Type Activities</b> |                     |                             |   |   |
| Water                           | 1,200,413           | 950,518                     | -   | (119,812)                               |
| Wastewater                      | 1,208,470           | 1,376,264                   | -   | 356,400                                 |
| Trash                           | 338,768             | 395,070                     | -   | -                                       |
| Interest on Long-Term Debt      | 198,764             | -                           | -   | -                                       |
| Total Business-Type Activities  | <u>2,946,415</u>    | <u>2,721,852</u>            | <u>-</u>                                  | <u>236,588</u>                          |
| Total Primary Government        | <u>\$ 6,718,095</u> | <u>\$ 3,066,878</u>         | <u>\$ -</u>                               | <u>\$ 656,580</u>                       |

GENERAL REVENUES

Sales Taxes  
Property Taxes  
Specific Ownership Taxes  
Franchise Taxes  
Other Taxes  
Interest  
Developer Reimbursements  
Other  
Gain (Loss) from Disposal  
of Capital Assets

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

The accompanying notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND  
CHANGE IN NET POSITION

| GOVERNMENTAL<br>ACTIVITIES | BUSINESS-TYPE<br>ACTIVITIES | TOTALS               |                      |
|----------------------------|-----------------------------|----------------------|----------------------|
|                            |                             | 2019                 | 2018                 |
| \$ (333,738)               | \$ -                        | \$ (333,738)         | \$ (146,820)         |
| (977,585)                  | -                           | (977,585)            | (990,132)            |
| (1,147,633)                | -                           | (1,147,633)          | (949,059)            |
| (16,889)                   | -                           | (16,889)             | (21,406)             |
| (506,588)                  | -                           | (506,588)            | (553,876)            |
| (24,229)                   | -                           | (24,229)             | (32,756)             |
| <u>(3,006,662)</u>         | <u>-</u>                    | <u>(3,006,662)</u>   | <u>(2,694,049)</u>   |
| -                          | (369,707)                   | (369,707)            | (501,563)            |
| -                          | 524,194                     | 524,194              | 292,294              |
| -                          | 56,302                      | 56,302               | (7,378)              |
| <u>-</u>                   | <u>(198,764)</u>            | <u>(198,764)</u>     | <u>(208,747)</u>     |
| -                          | 12,025                      | 12,025               | (425,394)            |
| (3,006,662)                | 12,025                      | (2,994,637)          | (3,119,443)          |
| 1,763,378                  | -                           | 1,763,378            | 1,541,011            |
| 451,592                    | -                           | 451,592              | 454,862              |
| 27,419                     | -                           | 27,419               | 27,105               |
| 126,969                    | -                           | 126,969              | 124,964              |
| 324,891                    | -                           | 324,891              | 211,744              |
| 29,363                     | -                           | 29,363               | 23,444               |
| 57,014                     | -                           | 57,014               | 15,375               |
| 85,156                     | 25,807                      | 110,963              | 125,869              |
| <u>161,484</u>             | <u>-</u>                    | <u>161,484</u>       | <u>(196,984)</u>     |
| <u>3,027,266</u>           | <u>25,807</u>               | <u>3,053,073</u>     | <u>2,327,390</u>     |
| 20,604                     | 37,832                      | 58,436               | (792,053)            |
| <u>28,360,036</u>          | <u>14,498,964</u>           | <u>42,859,000</u>    | <u>43,651,053</u>    |
| <u>\$ 28,380,640</u>       | <u>\$ 14,536,796</u>        | <u>\$ 42,917,436</u> | <u>\$ 42,859,000</u> |

TOWN OF NEW CASTLE, COLORADO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2019

|  | GENERAL<br>FUND     | NON-MAJOR<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |                     |
|--|---------------------|------------------------------------|--------------------------------|---------------------|
|  |                     |                                    | 2019                           | 2018                |
| <b>ASSETS</b>  |                     |                                    |                                |                     |
| Cash and Investments   | \$ 1,790,839        | \$ 136,709                         | \$ 1,927,548                   | \$ 1,068,688        |
| Taxes Receivable   | 480,889             | -                                  | 480,889                        | 446,576             |
| Due from Other Governments                                     | 419,962             | -                                  | 419,962                        | 445,431             |
| Accounts Receivable  | 17,513              | -                                  | 17,513                         | 15,196              |
| Prepaid Items  | 28,275              | -                                  | 28,275                         | 6,216               |
| <b>TOTAL ASSETS</b>  | <b>\$ 2,737,478</b> | <b>\$ 136,709</b>                  | <b>\$ 2,874,187</b>            | <b>\$ 1,982,107</b> |
| <b>LIABILITIES AND FUND EQUITY</b>                             |                     |                                    |                                |                     |
| <b>LIABILITIES</b>   |                     |                                    |                                |                     |
| Accounts Payable   | \$ 52,855           | \$ 287                             | \$ 53,142                      | \$ 65,042           |
| Accrued Liabilities  | 32,776              | -                                  | 32,776                         | 32,108              |
| Unearned Revenues  | 15,116              | -                                  | 15,116                         | 9,770               |
| Deposits and Escrow  | 4,000               | -                                  | 4,000                          | 34,418              |
| <b>TOTAL LIABILITIES</b>                                       | <b>104,747</b>      | <b>287</b>                         | <b>105,034</b>                 | <b>141,338</b>      |
| <b>DEFERRED INFLOWS</b>  |                     |                                    |                                |                     |
| Deferred Property Taxes  | 480,889             | -                                  | 480,889                        | 446,576             |
| <b>Fund Balance</b>  |                     |                                    |                                |                     |
| Nonspendable   | 28,275              | -                                  | 28,275                         | 6,216               |
| Restricted   | 184,000             | 136,422                            | 320,422                        | 268,292             |
| Committed  | 344,246             | -                                  | 344,246                        | 337,207             |
| Assigned   | 62,000              | -                                  | 62,000                         | 62,000              |
| Unassigned   | 1,533,321           | -                                  | 1,533,321                      | 720,478             |
| <b>TOTAL FUND EQUITY</b>                                       | <b>2,151,842</b>    | <b>136,422</b>                     | <b>2,288,264</b>               | <b>1,394,193</b>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>AND FUND EQUITY</b> | <b>\$ 2,737,478</b> | <b>\$ 136,709</b>                  |                                |                     |

Amounts reported for governmental activities in the statement of net position are different because:

|   |                      |                      |
|---|----------------------|----------------------|
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.  | 26,664,050           | 27,663,216           |
| Long-term liabilities are not due and payable in the current period and are not reported in the funds. This includes Bonds Payable (\$43,000), Notes Payable (\$428,393) Accrued Compensated Absences (\$99,784), and Accrued Interest Payable (\$1,754). | (571,674)            | (697,373)            |
| Net position of governmental activities   | <u>\$ 28,380,640</u> | <u>\$ 28,360,036</u> |

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2019

|                             | GENERAL<br>FUND     | NON-MAJOR<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |                     |
|-----------------------------|---------------------|------------------------------------|--------------------------------|---------------------|
|                             |                     |                                    | 2019                           | 2018                |
| REVENUES                    |                     |                                    |                                |                     |
| Taxes                       | \$ 2,395,780        | \$ -                               | \$ 2,395,780                   | \$ 2,205,449        |
| Licenses and Permits        | 101,058             | -                                  | 101,058                        | 69,885              |
| Intergovernmental           | 670,626             | 55,230                             | 725,856                        | 928,488             |
| Charges for Services        | 210,621             | 9,200                              | 219,821                        | 155,335             |
| Court                       | 16,572              | -                                  | 16,572                         | 24,700              |
| Developer Reimbursements    | 57,014              | -                                  | 57,014                         | 15,375              |
| Sale of Assets              | 248,928             | -                                  | 248,928                        | 8,174               |
| Interest                    | 29,175              | 368                                | 29,543                         | 23,255              |
| Miscellaneous               | 85,156              | -                                  | 85,156                         | 101,168             |
| TOTAL REVENUES              | <u>3,814,930</u>    | <u>64,798</u>                      | <u>3,879,728</u>               | <u>3,531,829</u>    |
| EXPENDITURES                |                     |                                    |                                |                     |
| General Government          | 456,027             | -                                  | 456,027                        | 404,727             |
| Public Safety               | 919,334             | -                                  | 919,334                        | 947,814             |
| Public Works                | 676,673             | -                                  | 676,673                        | 642,671             |
| Health and Welfare          | 23,584              | 2,505                              | 26,089                         | 27,806              |
| Parks and Recreation        | 684,730             | 9,163                              | 693,893                        | 800,152             |
| Debt Service                |                     |                                    |                                |                     |
| Principal                   | 122,646             | -                                  | 122,646                        | 148,171             |
| Interest                    | 25,486              | -                                  | 25,486                         | 34,241              |
| Capital Outlay              | 65,509              | -                                  | 65,509                         | 547,315             |
| TOTAL EXPENDITURES          | <u>2,973,989</u>    | <u>11,668</u>                      | <u>2,985,657</u>               | <u>3,552,897</u>    |
| NET CHANGE IN FUND BALANCES | 840,941             | 53,130                             | 894,071                        | (21,068)            |
| FUND BALANCES, Beginning    | <u>1,310,901</u>    | <u>83,292</u>                      | <u>1,394,193</u>               | <u>1,415,261</u>    |
| FUND BALANCES, Ending       | <u>\$ 2,151,842</u> | <u>\$ 136,422</u>                  | <u>\$ 2,288,264</u>            | <u>\$ 1,394,193</u> |

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2019

Amounts Reported for Governmental Activities in the Statement of Activities  
are Different Because:

|  |                         |
|--|-------------------------|
| Net Changes in Fund Balances - Total Governmental Funds  | \$ 894,071              |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$975,767), exceeds capital outlay \$64,045, and loss on disposal of capital assets (\$87,444) in the current period.                  | (999,166)               |
| Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include a payments on Capital Leases of \$14,168, payments on Bonds Payable \$81,000, payments on Notes Payable \$41,646, change in Accrued Compensated Absences of (\$12,372), and change in Accrued Interest \$1,257. | <u>125,699</u>          |
| Change in Net Position of Governmental Activities  | <u><u>\$ 20,604</u></u> |

The accompanying notes are an integral part of the financial statements.



TOWN OF NEW CASTLE, COLORADO

STATEMENT OF NET POSITION  
 PROPRIETARY FUND TYPE  
 As of December 31, 2019

|   | <u>2019</u>          | <u>2018</u>          |
|---|----------------------|----------------------|
| ASSETS  |                      |                      |
| Current Assets                                  |                      |                      |
| Cash and Investments                            | \$ 1,160,437         | \$ 1,035,500         |
| Accounts Receivable                             | 311,094              | 251,056              |
| Due from Other Governments                      | 109,760              | -                    |
| Total Current Assets                            | <u>1,581,291</u>     | <u>1,286,556</u>     |
| Noncurrent Assets                               |                      |                      |
| Capital Assets, net of accumulated depreciation | <u>18,264,095</u>    | <u>18,898,486</u>    |
| Total Noncurrent Assets                         | <u>18,264,095</u>    | <u>18,898,486</u>    |
| TOTAL ASSETS                                    | <u>19,845,386</u>    | <u>20,185,042</u>    |
| LIABILITIES                                     |                      |                      |
| Current Liabilities                             |                      |                      |
| Accounts Payable                                | 73,971               | 67,167               |
| Accrued Expenses                                | 34,164               | 21,406               |
| Accrued Interest Payable                        | 83,835               | 83,835               |
| Notes Payable, Current                          | 391,144              | 397,050              |
| Total Current Liabilities                       | <u>583,114</u>       | <u>569,458</u>       |
| Noncurrent Liabilities                          |                      |                      |
| Deposits  | 1,360                | 1,360                |
| Compensated Absences                            | 45,749               | 45,749               |
| Notes Payable, Long Term                        | 4,678,367            | 5,069,511            |
| Total Noncurrent Liabilities                    | <u>4,725,476</u>     | <u>5,116,620</u>     |
| TOTAL LIABILITIES                               | <u>5,308,590</u>     | <u>5,686,078</u>     |
| NET POSITION                                    |                      |                      |
| Net Investment in Capital Assets                | 13,194,584           | 13,431,925           |
| Unrestricted                                    | 1,342,212            | 1,067,039            |
| TOTAL NET POSITION                              | <u>\$ 14,536,796</u> | <u>\$ 14,498,964</u> |

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUND TYPE  
Year Ended December 31, 2019

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
| OPERATING REVENUES                               |                      |                      |
| Water Sales                                      | \$ 950,518           | \$ 920,389           |
| Wastewater Sales                                 | 1,376,264            | 1,166,730            |
| Trash Sales                                      | 395,070              | 305,202              |
| Other Revenues                                   | 25,807               | 16,527               |
|  | <u>2,747,659</u>     | <u>2,408,848</u>     |
| OPERATING EXPENSES                               |                      |                      |
| Water  | 1,200,413            | 1,307,173            |
| Wastewater                                       | 1,208,470            | 1,230,836            |
| Trash  | 338,768              | 312,580              |
|  | <u>2,747,651</u>     | <u>2,850,589</u>     |
| OPERATING INCOME (LOSS)                          | <u>8</u>             | <u>(441,741)</u>     |
| NON-OPERATING REVENUES (EXPENSES)                |                      |                      |
| Intergovernmental Grants                         | 109,760              | 48,121               |
| Loss from Disposal of Capital Assets             | -                    | (196,984)            |
| Interest Income                                  | -                    | 189                  |
| Interest Expense                                 | (198,764)            | (208,747)            |
|  | <u>(89,004)</u>      | <u>(357,421)</u>     |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | <u>(88,996)</u>      | <u>(799,162)</u>     |
| CONTRIBUTIONS AND TRANSFERS                      |                      |                      |
| Capital Contributions                            | 126,828              | 193,500              |
|  | <u>126,828</u>       | <u>193,500</u>       |
| NET INCOME (LOSS)                                | 37,832               | (605,662)            |
| NET POSITION, Beginning                          | <u>14,498,964</u>    | <u>15,104,626</u>    |
| NET POSITION, Ending                             | <u>\$ 14,536,796</u> | <u>\$ 14,498,964</u> |

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE  
 Year Ended December 31, 2019  
 Increase (Decrease) in Cash and Cash Equivalents

|   | <u>2019</u>         | <u>2018</u>         |
|---|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                     |                     |
| Cash Received from Customers  | \$ 2,687,621        | \$ 2,391,144        |
| Cash Paid to Suppliers  | (1,208,552)         | (1,378,969)         |
| Cash Paid to Employees  | (721,752)           | (693,285)           |
| Net Cash Provided by Operating Activities   | <u>757,317</u>      | <u>318,890</u>      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                               |                     |                     |
| Purchase of Fixed Assets  | (163,394)           | (147,954)           |
| Note Payments   | (397,050)           | (407,269)           |
| Interest Payments   | (198,764)           | (208,747)           |
| Intergovernmental Grants  | -                   | 48,121              |
| Tap Fees and Capital Contributions  | 126,828             | 193,500             |
| Net Cash Used by Capital and Related Financing Activities                                     | <u>(632,380)</u>    | <u>(522,349)</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                     |                     |
| Interest Received   | -                   | 188                 |
| Net (Decrease) in Cash and Cash Equivalents   | 124,937             | (203,271)           |
| CASH AND CASH EQUIVALENTS, Beginning  | <u>1,035,500</u>    | <u>1,238,771</u>    |
| CASH AND CASH EQUIVALENTS, Ending   | <u>\$ 1,160,437</u> | <u>\$ 1,035,500</u> |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b> |                     |                     |
| Operating Income (Loss)   | <u>\$ 8</u>         | <u>\$ (441,741)</u> |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities        |                     |                     |
| Depreciation  | 797,785             | 771,355             |
| Changes in Assets and Liabilities   |                     |                     |
| Accounts Receivable   | (60,038)            | (17,704)            |
| Accounts Payable  | 6,804               | 6,030               |
| Accrued Expenses  | 12,758              | 950                 |
| Total Adjustments   | <u>757,309</u>      | <u>760,631</u>      |
| Net Cash Provided by Operating Activities   | <u>\$ 757,317</u>   | <u>\$ 318,890</u>   |

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of New Castle, Colorado was founded in 1888. The Town is governed by a Mayor and six-member council elected by the residents.

The accounting policies of the Town of New Castle, Colorado (the “Town”) conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

**Reporting Entity**

In accordance with governmental accounting standards, the Town of New Castle has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the Town does not include additional organizations in its reporting entity.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the Town reports the following major governmental fund:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The Town reports the following major proprietary fund:

The *Utility Fund* accounts for the financial activities associated with the provision of water, wastewater, and trash services.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
(Continued)

Additionally, the Town reports the following fund type:

Permanent Fund – The *Cemetery Permanent Fund* accounts for the activities of the Town cemetery, including the sale of plots and maintenance.

**Cash and Investments**

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

**Capital Assets**

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the Town is depreciated using the straight line method over the following estimated useful lives:

|                            |               |
|----------------------------|---------------|
| Buildings and Improvements | 10 - 40 years |
| Water and Sewer Plants     | 10 - 50 years |
| Water and Sewer Lines      | 10 - 50 years |
| Machinery and Equipment    | 5 - 40 years  |
| Infrastructure             | 10 - 20 years |

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Deferred Outflows/Inflows of Resources** (Continued)

In addition to the liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Compensated Absences**

Employees of the Town are allowed to accumulate unused vacation time up to 320 hours or 40 days and an unlimited amount of unused sick time. Upon termination of employment from the Town, employees will be compensated for all accrued vacation time at their current pay rate. Employees are not compensated for any of their accrued sick time.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

**Long-Term Obligations**

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Position**

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represent assets that do not have any third party limitation on their use. While Town management may have categorized and segmented portion for various purposes, the Town Council has the unrestricted authority to revisit or alter these managerial decisions.

**Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The Town reports Prepaid Items as nonspendable at December 31, 2019.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified the following amounts as restricted as of December 31, 2019:

|                      |                          |
|----------------------|--------------------------|
| Emergency Reserves   | \$ 184,000               |
| Parks and Recreation | 83,097                   |
| Cemetery Care        | <u>53,325</u>            |
| Total                | <u><b>\$ 340,422</b></u> |



TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Fund Balance Classification** (Continued)

- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town has classified the following amounts as committed as of December 31, 2019:

|  |                          |
|--|--------------------------|
| Support of Volunteer Ambulance Service     | \$ 8,250                 |
| Police Training                            | 1,976                    |
| Burning Mountain Avenue Street Maintenance | 5,494                    |
| Traffic Impacts                            | <u>328,526</u>           |
| Total                                      | <b><u>\$ 344,246</u></b> |

- **Assigned** – Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by Town Council or a Town official delegated that Town by Town Charter or ordinance.

The Town has classified the following amounts as assigned as of December 31, 2019:

|                               |                         |
|-------------------------------|-------------------------|
| Solar System Purchase         | \$ 52,000               |
| Vehicle-Equipment Replacement | <u>10,000</u>           |
| Total                         | <b><u>\$ 62,000</u></b> |

- **Unassigned** – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Property Taxes**

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

**Comparative Data**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to September 30, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY** (Continued)

- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- Budgets are legally adopted for all funds of the Town. Budgets for the General, Conservation Trust, and Cemetery Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparisons presented for the Utility Fund is presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations by fund.

**NOTE 3: DEPOSITS AND INVESTMENTS**

A summary of deposits and investments as of December 31, 2019 follows:

|               |                            |
|---------------|----------------------------|
| Cash Deposits | \$ 1,194,240               |
| Investments   | <u>1,893,745</u>           |
| Total         | <b><u>\$ 3,087,985</u></b> |

The above amounts are classified in the statement of Net Position as follows:

|                          |                            |
|--------------------------|----------------------------|
| Governmental Activities  | \$ 1,927,548               |
| Business-Type Activities | <u>1,160,437</u>           |
| Total                    | <b><u>\$ 3,087,985</u></b> |

**Deposits**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2019, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 3: DEPOSITS AND INVESTMENTS** (Continued)

**Deposits** (Continued)

Custodial Credit Risk – Deposits (Continued)

The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The Town has no policy regarding custodial credit risk for deposits.

At December 31, 2019, the Town had deposits with financial institutions with a carrying amount of \$1,194,240. The bank balances with the financial institutions were \$1,225,346. Of these balances, \$250,000 was covered by federal depository insurance and \$975,346 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA).

**Investments**

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado municipalities.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 3: DEPOSITS AND INVESTMENTS** (Continued)

Local Government Investment Pools

The Town had invested \$1,316,258 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized costs and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

The Town had invested \$577,487 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

**Fair Value**

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 3: DEPOSITS AND INVESTMENTS** (Continued)

**Fair Value** (Continued)

The Town does not carry any additional investments subject to these fair value measurements.

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2019 is summarized below:

|   | Balances<br><u>12/31/18</u> | <u>Additions</u>    | <u>Deletions</u>    | Balances<br><u>12/31/19</u> |
|---|-----------------------------|---------------------|---------------------|-----------------------------|
| <b>Governmental Activities</b>                  |                             |                     |                     |                             |
| Capital Assets, not depreciated                 |                             |                     |                     |                             |
| Land  | \$ 15,214,000               | \$ -                | \$ -                | \$ 15,214,000               |
| Construction in Progress                        | <u>297,805</u>              | <u>28,899</u>       | <u>166,477</u>      | <u>160,217</u>              |
| Total Capital Assets, not depreciated           | <u>15,511,805</u>           | <u>28,899</u>       | <u>166,477</u>      | <u>15,374,217</u>           |
| Capital Assets, depreciated                     |                             |                     |                     |                             |
| Buildings                                       | 4,340,720                   | 171,477             | 148,782             | 4,363,415                   |
| Machinery and Equipment                         | 1,013,153                   | 8,040               | -                   | 1,021,193                   |
| Infrastructure                                  | <u>17,767,304</u>           | <u>22,116</u>       | <u>-</u>            | <u>17,789,420</u>           |
| Total Capital Assets, depreciated               | <u>23,121,177</u>           | <u>201,633</u>      | <u>148,782</u>      | <u>23,174,028</u>           |
| Less Accumulated Depreciation                   |                             |                     |                     |                             |
| Buildings                                       | 1,904,027                   | 125,571             | 61,338              | 1,968,260                   |
| Machinery and Equipment                         | 861,969                     | 74,990              | -                   | 936,959                     |
| Infrastructure                                  | <u>8,203,770</u>            | <u>775,206</u>      | <u>-</u>            | <u>8,978,976</u>            |
| Total Accumulated Depreciation                  | <u>10,969,766</u>           | <u>975,767</u>      | <u>61,338</u>       | <u>11,884,195</u>           |
| Total Capital Assets, depreciated, Net          | <u>12,151,411</u>           | <u>(774,134)</u>    | <u>87,444</u>       | <u>11,289,833</u>           |
| Governmental Activities,<br>Capital Assets, Net | <u>\$ 27,663,216</u>        | <u>\$ (745,245)</u> | <u>\$ (253,921)</u> | <u>\$ 26,664,050</u>        |

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 4: CAPITAL ASSETS (Continued)**

|  | Balances<br><u>12/31/18</u> | <u>Additions</u>    | <u>Deletions</u> | Balances<br><u>12/31/19</u> |
|--|-----------------------------|---------------------|------------------|-----------------------------|
| <b>Business-Type Activities</b>                  |                             |                     |                  |                             |
| Capital Assets, not depreciated                  |                             |                     |                  |                             |
| Land   | \$ 469,741                  | \$ -                | \$ -             | \$ 469,741                  |
| Water Rights                                     | 516,282                     | -                   | -                | 516,282                     |
| Construction in Process                          | <u>4,378</u>                | <u>-</u>            | <u>4,378</u>     | <u>-</u>                    |
| Total Capital Assets, not depreciated            | <u>990,401</u>              | <u>-</u>            | <u>4,378</u>     | <u>986,023</u>              |
| Capital Assets, depreciated                      |                             |                     |                  |                             |
| Buildings and Improvements                       | 17,008,406                  | 163,812             | -                | 17,172,218                  |
| Distribution and Collection                      | 11,166,613                  | -                   | -                | 11,166,613                  |
| Machinery and Equipment                          | <u>627,406</u>              | <u>3,960</u>        | <u>-</u>         | <u>631,366</u>              |
| Total Capital Assets, depreciated                | <u>28,802,425</u>           | <u>167,772</u>      | <u>-</u>         | <u>28,970,197</u>           |
| Less: Accumulated Depreciation                   |                             |                     |                  |                             |
| Buildings and Improvements                       | 5,919,455                   | 501,291             | -                | 6,420,746                   |
| Distribution and Collection                      | 4,688,098                   | 226,709             | -                | 4,914,807                   |
| Machinery and Equipment                          | <u>286,787</u>              | <u>69,785</u>       | <u>-</u>         | <u>356,572</u>              |
| Total Accumulated Depreciation                   | <u>10,894,340</u>           | <u>797,785</u>      | <u>-</u>         | <u>11,692,125</u>           |
| Total Capital Assets, depreciated, Net           | <u>17,908,085</u>           | <u>(630,013)</u>    | <u>-</u>         | <u>17,278,072</u>           |
| Business-Type Activities,<br>Capital Assets, Net | <u>\$ 18,898,486</u>        | <u>\$ (630,013)</u> | <u>\$ 4,378</u>  | <u>\$ 18,264,095</u>        |

Depreciation expense was charged to functions/programs of the Town as follows:

**Governmental Activities**

|                      |                |
|----------------------|----------------|
| General Government   | \$ 14,255      |
| Public Safety        | 64,591         |
| Public Works         | 794,183        |
| Parks and Recreation | <u>102,738</u> |

Total \$ 975,767

**Business-type Activities**

|       |                |
|-------|----------------|
| Water | \$ 319,114     |
| Sewer | <u>478,671</u> |

Total \$ 797,785

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 5: LONG-TERM DEBT**

**Governmental Activities**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2019.

|                                 | Balance<br><u>12/31/18</u> | <u>Additions</u> | <u>Payments</u>   | Balance<br><u>12/31/19</u> | Due In<br><u>One Year</u> |
|---------------------------------|----------------------------|------------------|-------------------|----------------------------|---------------------------|
| GO Bonds, Series 2010           | \$ 124,000                 | \$ -             | \$ 81,000         | \$ 43,000                  | \$ 43,000                 |
| Capital Leases                  | 14,168                     | -                | 14,169            | -                          | -                         |
| Notes Payable                   | 470,039                    | -                | 41,646            | 428,393                    | 43,666                    |
| Accrued Compensated<br>Absences | <u>87,412</u>              | <u>12,372</u>    | <u>-</u>          | <u>99,784</u>              | <u>24,946</u>             |
| Total                           | <u>\$ 695,619</u>          | <u>\$ 12,372</u> | <u>\$ 136,814</u> | <u>\$ 571,177</u>          | <u>\$ 111,612</u>         |

Accrued Compensated Absences are being paid from resources generated by the General Fund.

**General Obligation Bonds, Series 2010**

On April 8, 2010, the Town issued \$700,000 Limited Tax General Obligation Bonds, Series 2010. Proceeds of the bonds are used to pay costs related to the Town's improvements of its potable water treatment and distribution facilities. The bonds carry interest rates ranging from 3.1% to 5.4%. Semi-annual principal and interest payments are due on April 15 and October 15 through 2020.

**Capital Leases**

The Town has entered into several capital lease agreements to purchase equipment which will be paid from revenues of the General Fund. These leases require monthly payments of ranging from annual payments of \$7,355 to \$9,463 including interest ranging from 6.19 % to 6.24%. The leases mature from September 2018 to August 2019. The leases were paid in full as of December 31, 2019.

**Note Payable**

The Town has also obtained a line of credit in the amount of \$810,000. The original note required monthly payments of principle and interest at 5.25%. The Town refinanced this note during 2011 to obtain a lower interest rate. The new rate is 4.375% for five years. After five years, the rate changes to Prime plus 0.5% with a floor of 4.75% and a ceiling of 5.25%. All other terms of the note remain the same. The note matures in April 2028.



TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 5: LONG-TERM DEBT**(Continued)

**Future Debt Service Requirements**

Annual debt service requirements for the Notes and Bonds Payable at December 31, 2018 are as follows:

| <u>Year Ended December 31,</u>         | <u>Principal</u>         | <u>Interest</u>         | <u>Total</u>             |
|--|--------------------------|-------------------------|--------------------------|
| 2020                                   | \$ 86,666                | \$ 19,050               | \$ 105,716               |
| 2021                                   | 45,615                   | 15,940                  | 61,555                   |
| 2022                                   | 47,651                   | 13,904                  | 61,555                   |
| 2023                                   | 49,778                   | 11,777                  | 61,555                   |
| 2024                                   | 49,778                   | 9,555                   | 61,555                   |
| 2025 – 2028                            | <u>189,683</u>           | <u>14,496</u>           | <u>204,179</u>           |
| <b>Total Debt Service Requirements</b> | <b><u>\$ 471,393</u></b> | <b><u>\$ 84,723</u></b> | <b><u>\$ 556,116</u></b> |

**Business-Type Activities**

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2019.

|                  | <u>Balance</u>             |                    | <u>Payments</u>          | <u>Balance</u>             | <u>Due In</u>            |
|------------------|----------------------------|--------------------|--------------------------|----------------------------|--------------------------|
|                  | <u>12/31/18</u>            | <u>Additions</u>   |                          | <u>12/31/19</u>            | <u>One Year</u>          |
| 1999 CWRPDA Loan | \$ 17,703                  | \$ -               | \$ 17,703                | \$ -                       | \$ -                     |
| 2004 CWCB Loan   | 508,146                    | -                  | 20,538                   | 487,608                    | 21,462                   |
| 2008 CWRPDA Loan | <u>4,940,712</u>           | <u>-</u>           | <u>358,809</u>           | <u>4,581,904</u>           | <u>369,682</u>           |
| Total            | <b><u>\$ 5,466,561</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 407,269</u></b> | <b><u>\$ 5,069,512</u></b> | <b><u>\$ 391,144</u></b> |

**Loans Payable**

1999 Colorado Water Resources and Power Development Town (CWRPDA) Loan

Proceeds from this loan were used to upgrade the Town's wastewater treatment system. Principal and interest payments are due semi-annually on May 1 and November 1. Interest accrues at 4.5%. This loan matures on May 1, 2019. This loan was paid in full as of December 31, 2019.

2004 Colorado Water Conservation Board (CWCB) Loan

Proceeds of this loan were used for the construction of a new diversion structure and pump station on the Colorado River, and a raw water pipeline to the Town's water treatment facility. Principal and interest payments are due annually on August 1. Interest accrues at 4.5%. This loan matures on August 1, 2035.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 5: LONG-TERM DEBT**(Continued)

2008 Colorado Water Resources & Power Development Town (CWRPDA) Loan

Proceeds of this loan were used for the construction of a new wastewater treatment facility and improvements to the wastewater system of the Town. Principal and interest payments are due annually on August 1. Interest accrues at 3.45%. This loan matures on August 1, 2030.

**Future Debt Service Requirements**

Annual debt service requirements for the outstanding loans at December 31, 2018 are as follows:

| <u>Year Ended December 31,</u>         | <u>Principal</u>           | <u>Interest</u>            | <u>Total</u>               |
|--|----------------------------|----------------------------|----------------------------|
| 2020                                   | \$ 391,144                 | \$ 186,691                 | \$ 577,835                 |
| 2021                                   | 397,547                    | 178,269                    | 575,815                    |
| 2022                                   | 409,429                    | 169,890                    | 579,319                    |
| 2023                                   | 415,919                    | 160,979                    | 576,898                    |
| 2024                                   | 422,459                    | 151,765                    | 574,224                    |
| 2025-2029                              | 2,310,043                  | 566,550                    | 2,876,594                  |
| 2030-2034                              | 681,429                    | 62,720                     | 744,149                    |
| 2035                                   | <u>41,543</u>              | <u>1,869</u>               | <u>43,412</u>              |
| <b>Total Debt Service Requirements</b> | <b><u>\$ 5,069,512</u></b> | <b><u>\$ 1,478,733</u></b> | <b><u>\$ 6,548,245</u></b> |

**NOTE 6: RETIREMENT COMMITMENTS**

**Employee Pension Plan**

The Town contributes to a multiple employer defined contribution retirement plan administered by the Colorado Officials and Employees Retirement Association. Every employee who is employed by the Town is eligible to participate in the Plan immediately upon hire. Both the Town and the employee contribute from three to six percent of the employee's base salary. Plan provisions are established and may be amended by Town Council. During the years ended December 31, 2018 and 2019, employer and employees contributed \$80,715 and \$75,607, respectively, equal to their required contribution

Participants vest in employer contributions and in earnings, losses, and changes in fair market value of Plan assets at a rate of 20% for each full twelve months of participating in the Plan. Participants are immediately vested in their own contributions and earnings.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 7: PUBLIC ENTITY RISK POOL**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of entity.

**NOTE 8: COMMITMENTS AND CONTINGENCIES**

**Tabor Amendment**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. On November 1994, voters within the Town approved the collection, retention and expenditure of State grants, all sales and use taxes and all other revenue generated by the Town in 1995 and subsequent years without limitation, notwithstanding the provisions of the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2019, the emergency reserve of \$184,000 was recorded in the General Fund.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

**NOTE 9: SUBSEQUENT EVENTS**

Potential subsequent events were considered through July 1, 2020. It was determined that the following event is required to be disclosed through this date.

**Covid-19**

As a result of the coronavirus pandemic (COVID-19), economic uncertainties may have economic implications on the financial position, results of operations and cash flows of the District. The duration of these uncertainties and the ultimate financial effects cannot be estimated at this time.

**REQUIRED SUPPLEMENTARY INFORMATION**

TOWN OF NEW CASTLE, COLORADO

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2019

|   | 2019                |                   |                     | VARIANCE               | 2018<br>ACTUAL      |
|---|---------------------|-------------------|---------------------|------------------------|---------------------|
|   | ORIGINAL<br>BUDGET  | FINAL<br>BUDGET   | ACTUAL              | Positive<br>(Negative) |                     |
| REVENUES  |                     |                   |                     |                        |                     |
| Taxes   | \$ 2,362,904        | \$ 2,362,904      | \$ 2,395,780        | \$ 32,876              | \$ 2,205,449        |
| Licenses and Permits                            | 74,850              | 74,850            | 101,058             | 26,208                 | 69,885              |
| Intergovernmental                               | 207,888             | 207,888           | 670,626             | 462,738                | 880,332             |
| Charges for Services                            | 192,958             | 192,958           | 210,621             | 17,663                 | 148,935             |
| Court   | 14,200              | 14,200            | 16,572              | 2,372                  | 24,700              |
| Developer Reimbursements                        | 25,000              | 25,000            | 57,014              | 32,014                 | 15,375              |
| Interest  | 18,800              | 18,800            | 29,175              | 10,375                 | 22,952              |
| Sale of Assets                                  | -                   | -                 | 248,928             | 248,928                | 8,174               |
| Miscellaneous                                   | 125                 | 125               | 85,156              | 85,031                 | 101,168             |
| TOTAL REVENUES                                  | <u>2,896,725</u>    | <u>2,896,725</u>  | <u>3,814,930</u>    | <u>918,205</u>         | <u>3,476,970</u>    |
| EXPENDITURES                                    |                     |                   |                     |                        |                     |
| Current   |                     |                   |                     |                        |                     |
| General Government                              | 443,707             | 734,458           | 456,027             | 278,431                | 404,727             |
| Public Safety                                   | 950,183             | 950,183           | 919,334             | 30,849                 | 947,814             |
| Public Works                                    | 716,445             | 716,445           | 676,673             | 39,772                 | 642,671             |
| Health and Welfare                              | 23,800              | 23,800            | 23,584              | 216                    | 27,459              |
| Parks and Recreation                            | 699,530             | 699,530           | 684,730             | 14,800                 | 767,502             |
| Capital Outlay                                  | 73,274              | 73,274            | 65,509              | 7,765                  | 547,315             |
| Debt Service                                    |                     |                   |                     |                        |                     |
| Principal                                       | 81,000              | 81,000            | 122,646             | (41,646)               | 148,171             |
| Interest  | 5,578               | 5,578             | 25,486              | (19,908)               | 34,241              |
| TOTAL EXPENDITURES                              | <u>2,993,517</u>    | <u>3,284,268</u>  | <u>2,973,989</u>    | <u>310,279</u>         | <u>3,519,900</u>    |
| EXCESS OF REVENUES OVER<br>(UNDER) EXPENDITURES | <u>(96,792)</u>     | <u>(387,543)</u>  | <u>840,941</u>      | <u>1,228,484</u>       | <u>(42,930)</u>     |
| NET CHANGE IN FUND BALANCE                      | (96,792)            | (387,543)         | 840,941             | 1,228,484              | (42,930)            |
| FUND BALANCE, Beginning                         | <u>1,211,945</u>    | <u>1,211,945</u>  | <u>1,310,901</u>    | <u>98,956</u>          | <u>1,353,831</u>    |
| FUND BALANCE, Ending                            | <u>\$ 1,115,153</u> | <u>\$ 824,402</u> | <u>\$ 2,151,842</u> | <u>\$ 1,327,440</u>    | <u>\$ 1,310,901</u> |

See the accompanying independent auditors' report.

**COMBINING AND INDIVIDUAL FUND SCHEDULES**

TOWN OF NEW CASTLE, COLORADO

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2019

|                                     | SPECIAL<br>REVENUE<br>FUND    | PERMANENT<br>FUND         | TOTALS     |           |
|-------------------------------------|-------------------------------|---------------------------|------------|-----------|
|                                     | CONSERVATION<br>TRUST<br>FUND | CEMETERY<br>TRUST<br>FUND | 2019       | 2018      |
| ASSETS                              |                               |                           |            |           |
| Cash                                | \$ 83,097                     | \$ 53,612                 | \$ 136,709 | \$ 83,633 |
| LIABILITIES AND FUND BALANCES       |                               |                           |            |           |
| LIABILITIES                         |                               |                           |            |           |
| Accounts Payable                    | \$ -                          | \$ 287                    | \$ 287     | \$ 341    |
| FUND EQUITY                         |                               |                           |            |           |
| Fund Balance                        |                               |                           |            |           |
| Restricted for Cemetery Care        | \$ -                          | \$ 53,325                 | \$ 53,325  | \$ 46,309 |
| Restricted for Park and Recreation  | 83,097                        | -                         | 83,097     | 36,983    |
| TOTAL FUND EQUITY                   | 83,097                        | 53,325                    | 136,422    | 83,292    |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 83,097                     | \$ 53,612                 | \$ 136,709 | \$ 83,633 |

See the accompanying independent auditors' report.



TOWN OF NEW CASTLE, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended December 31, 2019

|                             | SPECIAL<br>REVENUE<br>FUND    | PERMANENT<br>FUND         | TOTALS     |           |
|-----------------------------|-------------------------------|---------------------------|------------|-----------|
|                             | CONSERVATION<br>TRUST<br>FUND | CEMETERY<br>TRUST<br>FUND | 2019       | 2018      |
| REVENUES                    |                               |                           |            |           |
| Intergovernmental           | \$ 55,230                     | \$ -                      | \$ 55,230  | \$ 48,156 |
| Charges for Services        | -                             | 9,200                     | 9,200      | 6,400     |
| Interest                    | 47                            | 321                       | 368        | 303       |
| TOTAL REVENUES              | 55,277                        | 9,521                     | 64,798     | 54,859    |
| EXPENDITURES                |                               |                           |            |           |
| Health and Welfare          | -                             | 2,505                     | 2,505      | 347       |
| Parks and Recreation        | 9,163                         | -                         | 9,163      | 32,650    |
| TOTAL EXPENDITURES          | 9,163                         | 2,505                     | 11,668     | 32,997    |
| NET CHANGE IN FUND BALANCES | 46,114                        | 7,016                     | 53,130     | 21,862    |
| FUND BALANCES, Beginning    | 36,983                        | 46,309                    | 83,292     | 61,430    |
| FUND BALANCES, Ending       | \$ 83,097                     | \$ 53,325                 | \$ 136,422 | \$ 83,292 |

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

CONSERVATION TRUST FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2019

|                            | 2019                            |                  | VARIANCE<br>Positive<br>(Negative) | 2018<br>ACTUAL   |
|----------------------------|---------------------------------|------------------|------------------------------------|------------------|
|                            | ORIGINAL<br>AND FINAL<br>BUDGET | ACTUAL           |                                    |                  |
| REVENUES                   |                                 |                  |                                    |                  |
| Intergovernmental          | \$ 44,000                       | \$ 55,230        | \$ 11,230                          | \$ 48,156        |
| Interest                   | 18                              | 47               | 29                                 | 23               |
| TOTAL REVENUES             | <u>44,018</u>                   | <u>55,277</u>    | <u>11,259</u>                      | <u>48,179</u>    |
| EXPENDITURES               |                                 |                  |                                    |                  |
| Parks and Recreation       | <u>25,000</u>                   | <u>9,163</u>     | <u>15,837</u>                      | <u>32,650</u>    |
| NET CHANGE IN FUND BALANCE | 19,018                          | 46,114           | 27,096                             | 15,529           |
| FUND BALANCE, Beginning    | <u>30,471</u>                   | <u>36,983</u>    | <u>6,512</u>                       | <u>21,454</u>    |
| FUND BALANCE, Ending       | <u>\$ 49,489</u>                | <u>\$ 83,097</u> | <u>\$ 33,608</u>                   | <u>\$ 36,983</u> |

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

CEMETERY FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2019

|                            | 2019               |                  |                  | VARIANCE<br>Positive<br>(Negative) | 2018<br>ACTUAL   |
|----------------------------|--------------------|------------------|------------------|------------------------------------|------------------|
|                            | ORIGINAL<br>BUDGET | FINAL<br>BUDGET  | ACTUAL           |                                    |                  |
| REVENUES                   |                    |                  |                  |                                    |                  |
| Sale of Plots              | \$ 1,200           | \$ 1,200         | \$ 9,200         | \$ 8,000                           | \$ 6,400         |
| Interest and Other         | 70                 | 70               | 321              | 251                                | 280              |
| TOTAL REVENUES             | <u>1,270</u>       | <u>1,270</u>     | <u>9,521</u>     | <u>8,251</u>                       | <u>6,680</u>     |
| EXPENDITURES               |                    |                  |                  |                                    |                  |
| Health and Welfare         | -                  | 2,000            | 2,505            | (505)                              | 347              |
| NET CHANGE IN FUND BALANCE | 1,270              | (730)            | 7,016            | 7,746                              | 6,333            |
| FUND BALANCE, Beginning    | -                  | 34,824           | 46,309           | 11,485                             | 39,976           |
| FUND BALANCE, Ending       | <u>\$ 1,270</u>    | <u>\$ 34,094</u> | <u>\$ 53,325</u> | <u>\$ 19,231</u>                   | <u>\$ 46,309</u> |

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

UTILITY FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2019

|                                      | 2019                        |                      | VARIANCE<br>Positive<br>(Negative) | 2018<br>ACTUAL       |
|--------------------------------------|-----------------------------|----------------------|------------------------------------|----------------------|
|                                      | ORIGINAL<br>FINAL<br>BUDGET | ACTUAL               |                                    |                      |
| REVENUES                             |                             |                      |                                    |                      |
| Water Sales                          | \$ 1,014,092                | \$ 950,518           | \$ (63,574)                        | \$ 920,389           |
| Wastewater Sales                     | 1,383,397                   | 1,376,264            | (7,133)                            | 1,166,730            |
| Trash Sales                          | 368,160                     | 395,070              | 26,910                             | 305,202              |
| Intergovernmental Grants             | 210,800                     | 109,760              | (101,040)                          | 48,121               |
| Tap Fees and Contributions           | 90,000                      | 126,828              | 36,828                             | 193,500              |
| Interest                             |                             | -                    | -                                  | 189                  |
| Other Revenues                       | 12,285                      | 25,807               | 13,522                             | 16,527               |
| Loss from Disposal of Capital Assets | -                           |                      | -                                  | (196,984)            |
| <b>TOTAL REVENUES</b>                | <b>3,078,734</b>            | <b>2,984,247</b>     | <b>(94,487)</b>                    | <b>2,453,674</b>     |
| EXPENDITURES                         |                             |                      |                                    |                      |
| Water                                | 982,077                     | 881,299              | 100,778                            | 994,984              |
| Wastewater                           | 804,654                     | 729,799              | 74,855                             | 771,670              |
| Trash                                | 351,400                     | 338,768              | 12,632                             | 312,580              |
| Debt Service                         | 43,404                      | 595,814              | (552,410)                          | 616,016              |
| Capital Outlay                       | 790,614                     | 163,394              | 627,220                            | 147,954              |
| <b>TOTAL EXPENDITURES</b>            | <b>2,972,149</b>            | <b>2,709,074</b>     | <b>263,075</b>                     | <b>2,843,204</b>     |
| <b>NET INCOME, Budget Basis</b>      | <b>\$ 106,585</b>           | <b>275,173</b>       | <b>\$ 168,588</b>                  | <b>(389,530)</b>     |
| GAAP BASIS ADJUSTMENTS               |                             |                      |                                    |                      |
| Capital Outlay                       |                             | 163,394              |                                    | 147,954              |
| Loan Principal Payments              |                             | 397,050              |                                    | 407,269              |
| Depreciation                         |                             | (797,785)            |                                    | (771,355)            |
| <b>NET INCOME, GAAP Basis</b>        |                             | <b>37,832</b>        |                                    | <b>(605,662)</b>     |
| NET POSITION, Beginning              |                             | 14,498,964           |                                    | 15,104,626           |
| NET POSITION, Ending                 |                             | <u>\$ 14,536,796</u> |                                    | <u>\$ 14,498,964</u> |

See the accompanying independent auditors' report.

## **COMPLIANCE**

### Steps for printing your content and returning to 'Edit Mode

1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

## ANNUAL HIGHWAY FINANCE REPORT - CY19

Email address: lburk@newcastlecolorado.org

City/County: New Castle

### II - RECEIPTS FOR ROAD AND STREET PURPOSES

**Please no commas or dollar signs for the input**

#### A. Receipts from local sources

|   |    |   |
|---|----|---|
| 2. General Fund Appropriations:                                 | \$ | <input type="text" value="26,859.00"/>  |
| 3. Other local imposts: <i>from A.3. 'Total' below</i>          | \$ | <input type="text" value="673,414.00"/> |
| 4. Miscellaneous local receipts: <i>from A.4. 'Total' below</i> | \$ | <input type="text" value="98,605.00"/>  |
| 5. Transfers from toll facilities                               | \$ | <input type="text" value="0.00"/>       |
| 6. Proceeds of sale of bonds and notes                          |    |   |
| a. Bonds - Original Issues:                                     | \$ | <input type="text" value="0.00"/>       |
| b. Bonds - Refunding Issues:                                    | \$ | <input type="text" value="0.00"/>       |
| c. Notes:   | \$ | <input type="text" value="0.00"/>       |

SubTotal: \$

#### B. Private Contributions

\$

## II - RECEIPTS FOR ROAD AND STREET PURPOSES (Detail)

**Please no commas or dollar signs for the input**

### A.3. Other local imposts

|  |    |                   |
|--|----|-------------------|
| a. Property Taxes and Assessments                            | \$ | 0.00              |
| b. Other Local Imposts                                       |    |                   |
| 1. Sales Taxes:  | \$ | 642,544.00        |
| 2. Infrastructure and Impact Fees:                           | \$ | 3,451.00          |
| 3. Liens:  | \$ | 0.00              |
| 4. Licenses:   | \$ | 0.00              |
| 5. Specific Ownership and/or Other:                          | \$ | 27,419.00         |
| <b>Total:</b> (a + b) carried to 'Other local imposts' above | \$ | <b>673,414.00</b> |

### A.4. Miscellaneous local receipts

**Please no commas or dollar signs for the input**

|  |    |                  |
|--|----|------------------|
| a. Interest on Investments:  | \$ | 32.00            |
| b. Traffic fines & Penalties:                                      | \$ | 3,530.00         |
| c. Parking Garage Fees:  | \$ | 0.00             |
| d. Parking Meter Fees:   | \$ | 0.00             |
| e. Sale of Surplus Property:                                       | \$ | 0.00             |
| f. Charges for Services:   | \$ | 0.00             |
| g. Other Misc. Receipts:   | \$ | 3,783.00         |
| h. Other:  | \$ | 91,260.00        |
| <b>Total:</b> (a through h) carried to 'Misc local receipts' above | \$ | <b>98,605.00</b> |

### C. Receipts from State Government

**Please no commas or dollar signs for the input**

|                                 |    |                   |
|---------------------------------|----|-------------------|
| 1. Highway User Taxes:          | \$ | 166,987.00        |
| 3. Other State funds:           |    |                   |
| c. Motor Vehicle Registrations: | \$ | 19,976.00         |
| d. Other (Specify):             |    |                   |
| Comments: undefined             | \$ | 0.00              |
| e. Other (Specify):             |    |                   |
| Comments: undefined             | \$ | 0.00              |
| <b>Total:</b> (1+3c,d,e)        | \$ | <b>186,963.00</b> |

### D. Receipts from Federal Government

**Please no commas or dollar signs for the input**

2. Other Federal Agencies

|                                    |    |         |
|------------------------------------|----|---------|
| a. Forest Service:                 | \$ | 0.00    |
| b. FEMA:                           | \$ | 0.00    |
| c. HUD:                            | \$ | 0.00    |
| d. Federal Transit Administration: | \$ | 0.00    |
| e. U.S. Corp of Engineers          | \$ | 0.00    |
| f. Other Federal:                  | \$ | 0.00    |
| Total: (2a-f)                      |    | \$ 0.00 |

### III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES

Please no commas or dollar signs for the input

#### A. Local highway disbursements

|   |    |               |
|---|----|---------------|
| 1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below) | \$ | 119,148.00    |
| 2. Maintenance:   | \$ | 271,365.00    |
| 3. Road and street services                                   |    |               |
| a. Traffic control operations:                                | \$ | 8,306.00      |
| b. Snow and ice removal:                                      | \$ | 61,962.00     |
| c. Other:   | \$ | 50,907.00     |
| 4. General administration & miscellaneous                     | \$ | 26,405.00     |
| 5. Highway law enforcement and safety                         | \$ | 447,748.00    |
| Total: (A.1-5)  |    | \$ 985,841.00 |

Please no commas or dollar signs for the input

#### B. Debt service on local obligations

|                 |    |         |
|-----------------|----|---------|
| 1. Bonds        |    |         |
| a. Interest     | \$ | 0.00    |
| b. Redemption   | \$ | 0.00    |
| 2. Notes        |    |         |
| a. Interest     | \$ | 0.00    |
| b. Redemption   | \$ | 0.00    |
| SubTotal: (1+2) |    | \$ 0.00 |

Please no commas or dollar signs for the input

|                                    |    |      |
|------------------------------------|----|------|
| C. Payments to State for Highways: | \$ | 0.00 |
|------------------------------------|----|------|



**D. Payments to Toll Facilities:**

\$

Total Disbursements: *(A+B+C+D)* \$ 985,841.00

**Please no commas or dollar signs for the input**

**III - DISBURSEMENTS FOR ROAD AND STREET PURPOSES - (Detail)**

**Please no commas or dollar signs for the input**

|   | A. ON NATIONAL<br>HIGHWAY SYSTEM     | B. OFF NATIONAL<br>HIGHWAY SYSTEM         | C. TOTAL             |
|---|--------------------------------------|---|----------------------|
| <b>A.1. Capital Outlay</b>                                    |                                      |   |                      |
| a. Right-Of-Way Costs:  | \$ <input type="text" value="0.00"/> | \$ <input type="text" value="4,374.00"/>  | \$ 4,374.00          |
| b. Engineering Costs:   | \$ <input type="text" value="0.00"/> | \$ <input type="text" value="0.00"/>      | \$ 0.00              |
| c. Construction   |                                      |   |                      |
| 1. New Facilities:  | \$ <input type="text" value="0.00"/> | \$ <input type="text" value="14,709.00"/> | \$ 14,709.00         |
| 2. Capacity Improvements:                                     | \$ <input type="text" value="0.00"/> | \$ <input type="text" value="0.00"/>      | \$ 0.00              |
| 3. System Preservation:                                       | \$ <input type="text" value="0.00"/> | \$ <input type="text" value="92,658.00"/> | \$ 92,658.00         |
| 4. System Enhancement:  | \$ <input type="text" value="0.00"/> | \$ <input type="text" value="7,407.00"/>  | \$ 7,407.00          |
| 5. Total Construction:  |                                      |   | <u>\$ 114,774.00</u> |
| d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i> |                                      |   | <u>\$ 119,148.00</u> |

### IV. LOCAL HIGHWAY DEBT STATUS

Please no commas or dollar signs for the input

|                                 | OPENING DEBT | AMOUNT ISSUED | REDEMPTIONS | CLOSING DEBT |
|---------------------------------|--------------|---------------|-------------|--------------|
| <b>A. Bonds (Total)</b>         | \$ 0.00      | \$ 0.00       | \$ 0.00     | \$ 0.00      |
| 1. Bonds<br>(Refunding Portion) |              | \$ 0.00       | \$ 0.00     | \$ 0.00      |
| <b>B. Notes (Total):</b>        | \$ 0.00      | \$ 0.00       | \$ 0.00     | \$ 0.00      |

### V - LOCAL ROAD AND STREET FUND BALANCE

Please no commas or dollar signs for the input

| A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|----------------------|-------------------|------------------------|-------------------|-------------------|
| \$ 0.00              | \$ 985,841.00     | \$ 985,841.00          | \$ 0.00           | \$ 0.00           |

**Notes & Comments:**

undefined

Please enter your name: Loni Burk

Please provide a telephone number where you may be reached: (970)984-2311

Save    Print Mode    Edit Mode

Please click on the "Save" button before viewing the data in a print format.